825 NE Multnomah, Suite 2000 Portland, Oregon 97232



January 5, 2022

# VIA ELECTRONIC FILING

Public Utility Commission of Oregon Attn: Filing Center 201 High Street SE, Suite 100 Salem, OR 97301-3398

## RE: UM\_\_\_\_Application for Approval of Deferred Accounting for Operating Costs and Capital Investments Made to Implement and Operate PacifiCorp's Oregon Wildfire Protection Plan

PacifiCorp d/b/a Pacific Power submits for filing its Application for Approval of Deferred Accounting for Operating Costs and Capital Investments Made to Implement and Operate PacifiCorp's Wildfire Protection Plan.

PacifiCorp respectfully requests that all communications related to this filing be addressed to:

Oregon Dockets PacifiCorp 825 NE Multnomah Street, Suite 2000 Portland, OR 97232 oregondockets@pacificorp.com Carla Scarsella Deputy General Counsel PacifiCorp 825 NE Multnomah Street, Suite 2000 Portland, OR 97232 Email: carla.scarsella@pacificorp.com

Additionally, PacifiCorp requests that all formal information requests regarding this matter be addressed to:

By email (preferred): <u>datarequest@pacificorp.com</u>

By regular mail:

Data Request Response Center PacifiCorp 825 NE Multnomah, Suite 2000

Informal inquiries may be directed to Cathie Allen, Manager, Regulatory Affairs, at (503) 813-5934.

Portland, OR 97232

Sincerely,

Shilly McCoy

Shelley McCoy Director, Regulation

## BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM \_\_\_\_\_

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred Accounting for Operating Costs and Capital Investments Made to Implement and Operate PacifiCorp's Oregon Wildfire Protection Plan

# APPLICATION FOR DEFERRED ACCOUNTING

## I. INTRODUCTION

In accordance with Oregon Revised Statutes (ORS) 757.259(2)(e) and Oregon

Administrative Rule (OAR) 860-027-0300, PacifiCorp d/b/a Pacific Power (PacifiCorp or

Company) submits this application to the Public Utility Commission of Oregon

(Commission) for an order authorizing deferred accounting to permit tracking of the

operating costs incurred and prudent capital investments made to implement and operate

the Company's annual wildfire protection plan (WPP) filed in accordance with Senate

Bill (SB) 762. PacifiCorp will make a subsequent filing in 2022 for approval of a rate

schedule and automatic adjustment clause to begin recovery of these costs.

## II. NOTICE

Communications regarding this application should be addressed to:

Oregon Dockets PacifiCorp 825 NE Multnomah Street, Suite 2000 Portland, OR 97232 Email: <u>oregondockets@pacificorp.com</u> Carla Scarsella Deputy General Counsel PacifiCorp 825 NE Multnomah Street, Suite 2000 Portland, OR 97232 Email: carla.scarsella@pacificorp.com

In addition, the Company requests that all data requests regarding this application be sent to the following:

UM \_\_\_\_\_PacifiCorp's Application for Deferred Accounting

By email (preferred): <u>datarequest@pacificorp.com</u> By regular mail: Data Request Response Center PacifiCorp 825 NE Multnomah Street, Suite 2000 Portland, OR 97232

Informal questions may be directed to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

# III. BACKGROUND AND SUMMARY OF REQUEST

SB 762 established a new state-wide requirement for public utilities that provide

electric service to customers in Oregon to file an annual WPP with the first plan due by

December 31, 2021. PacifiCorp filed its first WPP on December 30, 2021 (2022 WPP).<sup>1</sup>

Section 3(8) of SB 762 provides for the following:

(8) All reasonable operating costs incurred by, and prudent investments made by, a public utility to develop, implement or operate a wildfire protection plan under this section are recoverable in the rates of the public utility from all customers through a filing under ORS 757.210 to 757.220. The commission shall establish an automatic adjustment clause, as defined in ORS 757.210, or another method to allow timely recovery of the costs.

At this time PacifiCorp is filing for deferral of the operating costs and capital

investments made to implement and operate its 2022 WPP for the 12-month period beginning

on January 5, 2022. PacifiCorp plans to file to establish a rate schedule and automatic

adjustment clause in 2022 to begin recovering these costs in rates as allowed by SB 762.

# IV. OAR 860-027-0300(3) REQUIREMENTS

## A. Description of Utility Expense

PacifiCorp's 2022 WPP describes the investments to construct, maintain, and operate

electrical lines and equipment in a manner that will minimize the risk of catastrophic

wildfire. The 2022 WPP includes incremental capital investments for system hardening

<sup>&</sup>lt;sup>1</sup> See PacifiCorp's 2022 Wildfire Protection Plan, filed December 30, 2021, Docket No. UM 2207.

(including system automation and fuse replacement), situational awareness (including weather station installs and fire impact modelling), system operations, and public safety partner coordination. The 2022 WPP also includes incremental operating costs for several measures including but not limited to risk modeling, inspection and correction, and vegetation management. At this time, PacifiCorp seeks to defer its full 2022 WPP operating costs and capital investments incurred for later inclusion in rates. The deferral would commence on January 5, 2022. In 2022, PacifiCorp plans to file for approval of a rate schedule and automatic adjustment clause to begin recovery of these costs.

#### **B.** Reasons for Deferral

As discussed above, PacifiCorp requests authorization to defer the operating costs and capital investments made to implement and operate its 2022 WPP. ORS 757.259(2)(e) allows the deferral of identifiable utility expenses in order to minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately the costs borne and benefits received by customers.

PacifiCorp's application is consistent with SB 762 and with the Commission's previous approval of deferred accounting applications.

#### C. Proposed Accounting

If this application is approved, PacifiCorp proposes to record deferred amounts to Federal Energy Regulatory Commission account 182.3, Other Regulatory Assets. This account will accrue interest at the Commission-authorized rate for deferred accounts.

#### **D.** Estimate of Amounts

PacifiCorp's 2022 WPP includes incremental capital investments of approximately \$24 million and incremental operating costs of approximately \$20 million expected to be

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incurred in 2022. Please refer to page 78 of 80 of PacifiCorp's 2022 WPP for a listing of the measures and the incremental capital and operating costs.

## E. Notice

A copy of the Notice of Application and a list of persons served with the notice are attached as Exhibit A to this application.

## V. CONCLUSION

For the reasons set forth above, in accordance with ORS 757.259(2)(e), PacifiCorp respectfully requests authorization for a deferred account beginning on January X, 2022, to track WPP operating costs and capital investments.

Respectfully submitted this 5 day of January, 2022.

By:

arla Scarsella

Carla Scarsella Deputy General Counsel

Attorney for PacifiCorp d/b/a Pacific Power

# Exhibit A

Notice of Application

#### **EXHIBIT A**

#### NOTICE

#### BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM \_\_\_\_\_

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred Accounting for Operating Costs and Capital Investments Made to Implement and Operate PacifiCorp's Oregon Wildfire Protection Plan

## NOTICE OF APPLICATION FOR DEFERRED ACCOUNTING

On January 5, 2022, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) filed an application with the Public Utility Commission of Oregon (Commission) for an order to permit tracking of the operating costs incurred and prudent capital investments made to implement and operate the Company's annual wildfire protection plan (WPP) filed in accordance with Senate Bill 762. PacifiCorp will make a subsequent filing in 2022 for approval of a rate schedule and automatic adjustment clause to begin recovery of these costs. PacifiCorp respectfully requests authorization for 12 months beginning January 5, 2022. To obtain a copy of the application, contact the following:

Oregon Dockets 825 NE Multnomah Street, Suite 2000 Portland, OR 97232 Email: <u>oregondockets@pacificorp.com</u>

Any person may submit written comments to the Commission regarding the

application within 25 days of the date of this filing.

Respectfully submitted on January 5, 2022.

Carsella

Carla Scarsella Deputy General Counsel

# **CERTIFICATE OF SERVICE**

I certify that I delivered a true and correct copy of PacifiCorp's **NOTICE OF APPLICATION FOR AUTHORIZATION OF DEFERRED ACCOUNTING** on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

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Dated this 5<sup>th</sup> day of January, 2022.

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Kaley McNay/ Senior Coordinator, Regulatory Operations